

EXHIBIT D

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2 A. Uh-huh.

3 Q. And that's the other aspect to
4 this parity requirement that we saw in the
5 board presentation; isn't that true?

6 A. That's correct.

7 Q. Do you see anything in this
8 that requires that there be price parity
9 across platforms?

10 A. No, and I mentioned that
11 before, we are not required to have
12 business model parity nor are we -- nor are
13 we prohibited from launching our own store
14 on any other stores. It is very clear.

15 Q. Is there anything in this
16 provision that says that ABK can't launch
17 its games on other Android app stores?

18 A. No, we discussed it before, and
19 we can even launch it in our own store if
20 we want to do that.

21 Q. In the end, ABK chose the
22 Google deal because it was the more
23 competitive deal for ABK; isn't that true?

24 A. That is correct. It had
25 better -- it had better economics and

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2 better terms over the competitive deal at
3 hand.

4 Q. Let's go back to the easier to
5 read board presentation, Exhibit 1979.

6 A. Okay, thank you.

7 Q. In 1979, let's take a look
8 again at page 4, which is the Google Deal
9 Term Summary.

10 A. Page 4, I'm there, yes.

11 Q. So as we just -- as you were
12 just explaining, there is no financial
13 commitment for ABK for Google Play,
14 correct?

15 A. That is correct.

16 Q. And there is no exclusivity
17 commitment for Google either?

18 A. Not at all.

19 Q. And I think -- let's go to page
20 3, the previous page.

21 A. Sure. Yeah, I'm there.

22 Q. So this page discussing the
23 strategic rationale, this was, actually
24 because of the redactions, without the
25 redactions, this was discussing two

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2 Q. Take a look at page 2 and let
3 me know when you're there.

4 A. I'm there.

5 Q. The title of this slide is
6 Project Boston Context, correct?

7 A. That is correct.

8 Q. Under the first bullet point it
9 has a number 2. Do you see that?

10 A. I do see that, yes.

11 Q. And number 2 states
12 "Development of a direct-to-consumer mobile
13 distribution platform that bypass existing
14 storefronts (e.g. Google Play, IOS
15 AppStore) with two approaches to the
16 store," correct?

17 A. That is correct, yes.

18 Q. By "bypass existing
19 storefronts," that meant offer apps to
20 users without going through Google Play; is
21 that correct?

22 A. That is correct.

23 Q. If you could take a look at
24 page 3.

25 A. I'm there, yes.

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2 Q. On the Path 2, build your own
3 mobile store part of page, excuse me, of
4 slide 3, there are two variations on that
5 approach; isn't that true?

6 A. That is true, yes.

7 Q. Under one approach the store
8 would have only ABK apps, correct?

9 A. That is correct.

10 Q. And on the other ABK would open
11 its app store for Android users up to other
12 third parties, correct?

13 A. That is correct.

14 Q. To date, Activision hasn't
15 launched such a store, correct?

16 A. That is correct.

17 Q. You testified earlier that the
18 reason why Activision hadn't launched such
19 a store is because the financials weren't
20 good enough, correct?

21 A. That is correct.

22 Q. Is that because there would be
23 costs associated with launching your own
24 store?

25 A. Yes, there would be development

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2 costs, there would be marketing costs, and
3 many other costs.

4 Q. Would there also be risks that
5 the store would be a failure?

6 A. 100 percent.

7 Q. Are those risks part of what
8 Activision considered in deciding not to
9 launch its own app store?

10 A. Of course, yes. There is a
11 wide range of outcomes of a store like
12 this, and, you know, ultimately the size of
13 the price relative to the investment didn't
14 stack up with that opportunity cost.

15 And the opportunity cost
16 concept is also very important here. You
17 know, as I mentioned, we are a
18 multi-billion-dollar company. For us it is
19 important that returns of any of our
20 projects are in the multi-billion or at
21 least multi-hundred-million-dollar range.
22 So we prioritize our results, and it is my
23 job as CFO, we prioritize our investments
24 against the biggest opportunities.

25 So in this case we prioritized,

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2 in this context. You need to ask

3 Mr. Sweeney. I have no idea.

4 Q. Can you translate it to English
5 for us?

6 A. I'm not sure -- I'm not sure --
7 I'm not sure I have a good translation for
8 you, frankly. I'm thinking about it. Not
9 really. I don't really have a good
10 translation for it.

11 Q. Earlier Mr. Kwun asked you if
12 you entered into a deal with Google that
13 accomplished your objectives, and you said
14 yes, correct?

15 A. The specific question was
16 whether it meets, you know, the deal met
17 our financial thresholds, you know, and I
18 did say to you before that, you know, when
19 we do deals as a multi-billion-dollar
20 company we are prioritizing deals that are
21 multi-billion-dollar or
22 multi-hundred-million-dollar deals, and
23 what I said to Mr. Kwun was correct because
24 it was a deal that created
25 multi-hundred-million dollars of value for

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2 us across multiple ecosystems, between us
3 and Google, that's why the deal -- that's
4 why the board approved the deal.

5 MR. EARNHARDT: I have no
6 further questions at this time.

7 MR. KWUN: Nor do I.

8 MR. AMATO: We will reserve our
9 right to review the transcript, and thank
10 you for being courteous with the time here.

11 THE VIDEOGRAPHER: If everyone
12 agrees, we are off the record at 3:38 p.m.
13 Pacific time. This concludes today's
14 testimony. Thank you everyone. Have a
15 good night.

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17 [TIME NOTED: 3:38 p.m.]

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